

Assembly Bill No. 1424

CHAPTER 799

An act to add Article 9 (commencing with Section 885) to Chapter 4 of Part 1 of Division 1 of the Public Utilities Code, relating to telecommunications.

[Approved by Governor September 23, 1998. Filed
with Secretary of State September 24, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1424, Martinez. Telecommunications: telephone cards.

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities and other specified entities. The Public Utilities Act generally requires a telephone or telegraph corporation constructing or extending facilities to obtain from the commission a certificate of public convenience and necessity, but authorizes the commission to exempt certain telecommunications services offered by telephone and telegraph corporations, and to, instead, subject those companies to registration, as prescribed.

This bill would amend that act to require entities offering the services of telephone prepaid debit cards that are not certificated by the commission to provide telephone service to register with the commission, as specified.

Because, under this act, failure of these entities to register with the commission would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Article 9 (commencing with Section 885) is added to Chapter 4 of Part 1 of Division 1 of the Public Utilities Code, to read:

Article 9. Telephone Prepaid Debit Cards

885. (a) Any entity offering the services of telephone prepaid debit cards is subject to the registration requirements of Section 1013, commencing January 1, 1999, unless that entity is certificated by the

commission to provide telephone service. An entity subject to this requirement includes any of the following:

(1) An entity that is an underlying interexchange carrier and offers and administers the services of telephone prepaid debit cards.

(2) An entity that purchases bulk time from an underlying interexchange carrier and thereby offers and administers the services of telephone prepaid debit cards (that is, the entity repackages and resells the time as prepaid debit cards).

(b) Resellers of telephone prepaid debit cards who do not engage in any of the activities described in subdivision (a) are not subject to the registration requirement imposed by subdivision (a). Resellers that are not subject to the registration requirement imposed by subdivision (a) include both of the following:

(1) Retailers who only provide a marketing venue for telephone prepaid debit cards.

(2) Entities that only print information on telephone prepaid debit cards.

(c) Telephone prepaid debit cards offered in a promotional manner or gratis shall not subject the provider to the registration requirement imposed by subdivision (a), unless the cards are issued in conjunction with the sale of related goods or services.

(d) The commission shall maintain a list of certificated interexchange carriers and shall supply that information upon request.

886. Entities that are required to register, but have failed to do so, or entities that are denied registration by the commission, shall not offer the services of telephone prepaid debit cards. Entities that are required to register, but have failed to do so, and entities denied registration that offer telephone prepaid debit cards shall be subject to fines or other sanctions that may be ordered by the commission.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

